MONTANA LEGISLATIVE HISTORY

Chapter 459 19 97

Bill H 518 S _____ Original bill & history ✓ C

H. Committee on Local Government		S. Committee on Local Governmen	
Hearing Date(s) 2-13	✓ C	Hearing Date(s) 3-27	✓ C
2-18	✓ C	_____	____ C
_____	____ C	_____	____ C
_____	____ C	_____	____ C
Date Out _____	____ C		

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____ Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendent information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

SENATE
4/11 FREE CONFERENCE COMMITTEE APPOINTED
4/17 FREE CONFERENCE COMMITTEE REPORT NO. 1
4/18 2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 27 21
4/19 3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 26 24
4/22 SIGNED BY SPEAKER
4/25 SIGNED BY PRESIDENT
4/25 TRANSMITTED TO GOVERNOR
5/05 VETOED

HB 518 INTRODUCED BY EWER *LC1067 DRAFTER: CAMPBELL*

REVISE LOCAL GOVERNMENT LAWS

2/11 INTRODUCED
2/11 FIRST READING
2/11 REFERRED TO LOCAL GOVERNMENT
2/11 FISCAL NOTE REQUESTED
2/13 HEARING
2/18 FISCAL NOTE RECEIVED
2/19 COMMITTEE REPORT—BILL PASSED AS AMENDED
2/20 FISCAL NOTE PRINTED
2/21 2ND READING PASSED AS AMENDED 60 40
2/26 3RD READING PASSED 57 43

TRANSMITTED TO SENATE
3/04 FIRST READING
3/04 REFERRED TO LOCAL GOVERNMENT
3/27 HEARING
4/02 COMMITTEE REPORT—BILL CONCURRED AS AMENDED
4/05 2ND READING CONCURRED 50 0
4/07 3RD READING CONCURRED 49 0

RETURNED TO HOUSE WITH AMENDMENTS
4/12 2ND READING AMENDMENTS CONCURRED 83 11
4/14 3RD READING CONCURRED AS AMENDED 72 28
4/20 SIGNED BY SPEAKER
4/24 SIGNED BY PRESIDENT
4/25 TRANSMITTED TO GOVERNOR
4/30 SIGNED BY GOVERNOR
CHAPTER NUMBER 459
EFFECTIVE DATE: 04/30/97—SECTIONS 8, 16 & 18
EFFECTIVE DATE: 10/01/97—SECTIONS 1-7, 9-15 & 17

HB 519 INTRODUCED BY WYATT *LC1345 DRAFTER: FOX*

ALLOW AN ADVANCED PRACTICE REGISTERED NURSE THAT IS A NURSE PRACTITIONER OR A CLINICAL NURSE SPECIALIST TO PROVIDE SERVICES AS A TREATING PROVIDER AND A PRIMARY CARE PROVIDER UNDER THE WORKERS' COMPENSATION ACT

2/11 INTRODUCED
2/11 FIRST READING
2/11 REFERRED TO BUSINESS & LABOR
2/14 HEARING
2/20 COMMITTEE REPORT—BILL PASSED AS AMENDED
2/22 2ND READING PASSED 90 10
2/26 3RD READING PASSED 89 9

TRANSMITTED TO SENATE
3/04 FIRST READING
3/04 REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
3/06 REREFERRED TO LABOR & EMPLOYMENT RELATIONS

House BILL NO. 518

INTRODUCED BY Eneck

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LOCAL GOVERNMENT LAWS; ALLOWING APPOINTED MUNICIPAL OFFICIALS TO RESIDE OUTSIDE CITY LIMITS; INCREASING THE PERIOD FOR MUNICIPAL INSTALLMENT CONTRACTS FROM 5 YEARS TO 10 YEARS; CLARIFYING THAT AMORTIZATION BONDS ARE NOT PREFERRED OVER SERIAL BONDS; ALLOWING REFUNDING BONDS TO BE SOLD AT LESS THAN PAR VALUE; ALLOWING MULTIJURISDICTIONAL SERVICE DISTRICTS TO PROVIDE PROGRAMS FOR THE PROTECTION OF HUMAN HEALTH AND THE ENVIRONMENT; ALLOWING MONEY IN A DISTRICT RESERVE ACCOUNT TO BE USED TO PAY THE FINAL PRINCIPAL AND INTEREST PAYMENT ON BONDS OR WARRANTS; ALLOWING A VOTE ON CHANGING COUNTY WATER OR SEWER DISTRICT BOUNDARIES TO BE HELD BY MAIL BALLOT; ALLOWING A FIRE SERVICE AREA TO INCUR INDEBTEDNESS IN AN AMOUNT NOT EXCEEDING 18 PERCENT OF THE AREA'S TAXABLE VALUE; AMENDING THE CALCULATION FOR DETERMINING A FIREFIGHTER'S SERVICE RETIREMENT BENEFIT; AMENDING SECTIONS 7-4-4111, 7-5-4302, 7-5-4306, 7-7-2209, 7-7-4208, 7-7-4251, 7-7-4626, 7-11-1102, 7-12-2171, 7-12-4169, 7-12-4203, 7-13-2208, 7-14-2526, 7-33-2404, AND 19-13-704, MCA; AND PROVIDING EFFECTIVE DATES AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-4-4111, MCA, is amended to read:

"**7-4-4111. Determination of vacancy in municipal office.** An office becomes vacant on the happening of any of the following events before the expiration of the term of the incumbent:

(1) the death of the incumbent;

(2) a determination pursuant to Title 53, chapter 21, part 1, that ~~he~~ the incumbent is mentally ill;

(3) ~~his~~ the incumbent's resignation;

(4) ~~his~~ the incumbent's removal from office;

(5) ~~his~~ the incumbent's absence from the city or town continuously for 10 days without the consent of the council;

(6) ~~his~~ the incumbent's open neglect or refusal to discharge ~~his~~ duties;

(7) ~~his~~ the incumbent's ceasing to be a resident of the city or town or, in the case of ~~an alderman~~ a city council member, ~~his~~ ceasing to be a resident of ~~his~~ the city council member's ward~~;~~. This subsection does not apply to an appointed municipal officer who resides outside the city or town limits with the approval of the city or town governing body and within a distance of the city or town approved by the governing body.

(8) ~~his~~ the incumbent's ceasing to discharge the duty of ~~his~~ office for a period of 3 consecutive months, except when prevented by illness or when absent from the city or town by permission of the governing body;

(9) ~~his~~ the incumbent's conviction of a felony or of any offense involving moral turpitude or a violation of ~~his~~ official duties;

(10) ~~his~~ the incumbent's refusal or neglect to file ~~his~~ an official bond within the time prescribed;

(11) the decision of a competent tribunal declaring void ~~his~~ the incumbent's election or appointment."

Section 2. Section 7-5-4302, MCA, is amended to read:

"7-5-4302. Competitive, advertised bidding required for certain purchase and construction contracts. (1) Except as provided in 7-5-4303 or 7-5-4310, all contracts for the purchase of any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, ~~or~~ equipment~~;~~ ~~for any~~ or materials or supplies of any kind in excess of $20,000~~;~~ or for construction, repair, or maintenance in excess of $25,000 must be let to the lowest responsible bidder after advertisement for bids.

(2) The advertisement must be made in the official newspaper of the city or town if there is an official newspaper, and if not, it must be made in a daily newspaper of general circulation published in the city or town if there is a newspaper. If there is no newspaper, the advertisement must be made by posting in three of the most public places in the city or town. The advertisement, if by publication in a newspaper, must be made once each week for 2 consecutive weeks, and the second publication must be made not less than 5 days or more than 12 days before the consideration of bids. If the advertisement is made by posting, 15 days must elapse, including the day of posting, between the time of the posting of the advertisement and the day set for considering bids.

(3) The council may postpone action on any contract until the next regular meeting after bids are received in response to the advertisement and may reject any bids and readvertise as provided in this

section."

Section 3. Section 7-5-4306, MCA, is amended to read:

"**7-5-4306. Use of installment purchase contract.** ~~(1) Subject to the requirements of subsection (2), when~~ When the amount to be paid under an installment purchase contract exceeds $4,000, the council may provide for the payment of the amount in installments extending over a period of not more than ~~5~~ 10 years~~, provided that~~ if at the time of entering into the contract, there is an unexpended balance of appropriation in the budget for the then-current fiscal year available and sufficient to ~~meet and take care of~~ pay for the portion of the contract price payable during the then-current fiscal year. The budget for each following year in which any portion of the purchase price is to be paid must contain an appropriation for the purpose of paying that portion.

~~(2) When the purchase price is extended over a term of 2 years, at least 40% of the amount must be paid the first year and the remainder the second year. When the amount is extended over a term of 3 years, at least one-third of the amount must be paid each year. If the amount is extended over a term of 4 years, at least one-fourth is to be paid each year. If the amount is extended over a term of 5 years, at least one-fifth is to be paid each year.~~"

Section 4. Section 7-7-2209, MCA, is amended to read:

"**7-7-2209. Types of bonds.** (1) Except as provided in subsection (2), bonds issued by any county must be either amortization bonds or serial bonds. ~~All things being equal, amortization bonds must be issued in preference to serial bonds; otherwise, serial bonds may be issued.~~

(2) Citizen bonds may be amortization bonds, serial bonds, term bonds, capital appreciation bonds, or zero-coupon bonds, ~~with no~~ without preference for amortization bonds."

Section 5. Section 7-7-4208, MCA, is amended to read:

"**7-7-4208. Types of general obligation bonds.** (1) Except as provided in subsection (2), ~~all~~ bonds issued by any city or town ~~shall~~ must be either amortization bonds or serial bonds. ~~All things being equal, amortization bonds shall be issued in preference to serial bonds; otherwise, serial bonds may be issued.~~

(2) Citizen bonds may be amortization bonds, serial bonds, term bonds, capital appreciation bonds, or zero-coupon bonds, ~~with no~~ without preference for amortization bonds."

Section 6. Section 7-7-4251, MCA, is amended to read:

"**7-7-4251. Form of notice of sale of bonds.** (1) The notice of sale ~~shall~~ must state the purpose or purposes for which the bonds are to be issued and the amount proposed to be issued for each purpose and ~~shall~~ must be substantially in the following form:

NOTICE OF SALE OF (CITY OR TOWN) BONDS

Notice is hereby given by the council of the (city or town) of ...., Montana, that the council will, on the .... day of ...., ~~19~~...., at the hour of ... ...m., at its council chamber in the (city or town) of ...., Montana, sell to the highest and best bidder for cash ~~either amortization or serial~~ general obligation bonds of the ~~said~~ (city or town) in the total amount of .... dollars, ($....) for the purpose of .....

~~Amortization bonds will be the first choice and serial bonds will be the second choice of the council.~~

~~If amortization bonds are sold and issued, the entire issue may be put into one single bond or divided into several bonds as the council may determine at the time of sale, both principal and interest to be payable in semiannual installments during a period of .... years from the date of issue.~~

~~If serial~~ The bonds ~~are~~ will be issued and sold~~, they will be~~ in the aggregate principal amount of .... dollars ($....) each and will become due and payable according to the maturity schedule set forth below (set forth maturity schedule adopted by the city or town council).

The bonds~~, whether amortization or serial bonds, will~~ must bear an original issue date of ...., ~~19~~...., ~~will bear~~ must pay interest ~~at a rate not exceeding ....% per annum~~ commencing on the .... day of .... (month), ~~19~~.., and are payable semiannually on the .... day of .... and on the .... day of .... in each year thereafter and will be redeemable (here insert the optional provisions, if any, recited in the bonds).

~~Said~~ The bonds will be sold for not less than ~~their par value~~ $...., with accrued interest on the principal amount of the bonds to date of delivery, and all bidders ~~must~~ shall state the lowest rate or rates of interest at which they will purchase the bonds at ~~par~~ the purchase price specified for the bonds. (An interest rate may not exceed ....% a year.) The council reserves the right to reject any ~~and all~~ bids and to sell ~~said~~ the bonds at private sale.

All bids ~~other than by or on behalf of the board of investments of the state of Montana~~ must be accompanied by ~~a certified check~~ (insert appropriate bid security as permitted by 18-1-203) in the sum of .... dollars ($....), payable to the order of the (city or town) clerk, which will be forfeited by the successful bidder in the event ~~he~~ that the bidder ~~shall fail~~ fails or ~~refuse~~ refuses to complete the purchase of ~~said~~ the bonds in accordance with the terms of ~~his~~ the bid.

All bids ~~shall~~ must be addressed to the council of the (city or town) of .... and delivered to the clerk of ~~said~~ the (city or town)

.....

Mayor of the (city or town) of

....., Montana

ATTEST:

.....

(City or Town) Clerk

(2) The form of notice required under this section may be modified to accommodate changes necessary to issue citizen bonds pursuant to 7-7-4211 through 7-7-4213."

Section 7. Section 7-7-4626, MCA, is amended to read:

"**7-7-4626. Details relating to sales of refunding revenue bonds.** If the governing body determines to sell any refunding bonds, ~~such~~ the refunding bonds ~~shall~~ must be sold ~~at not less than par,~~ at public or private sale~~,~~ and in ~~such~~ a manner and upon ~~such~~ terms ~~as~~ that the governing body ~~shall deem~~ considers best for the interests of the municipality."

Section 8. Section 7-11-1102, MCA, is amended to read:

"**7-11-1102. Services that may be provided.** (1) A multijurisdictional service district may provide only those services that are authorized to be provided by local governments.

(2) The services that a multijurisdictional service district may provide are:

(a) recreation programs other than park and recreation programs in a county park district established under Title 7, chapter 16, part 24;

(b) road, street, and highway maintenance;

(c) libraries;

(d) jails;

(e) dog control programs;

(f) ambulance service; ~~and~~

(g) dispatch service~~.~~; and

(h) protection of human health and the environment, including scenic concerns and recreational

activities."

Section 9. Section 7-12-2171, MCA, is amended to read:

"**7-12-2171. Details relating to rural improvement district bonds and warrants -- definitions of bond forms.** (1) The bonds and warrants ~~shall~~ must be drawn against either the construction or maintenance fund created for the special improvement district and ~~shall~~ must bear interest from the date of registration until called for redemption or paid in full. The interest ~~shall~~ must be payable annually or semiannually, at the discretion of the board of county commissioners, on the dates that the board prescribes. The warrants or bonds ~~shall~~ must bear the signatures of the ~~chairman~~ presiding officer of the board and the county clerk and ~~shall~~ must bear the corporate seal of the county. They ~~shall~~ must be registered in the office of the county clerk and the county treasurer, ~~and~~ if interest coupons are attached to the warrants or bonds, they ~~shall~~ must also be registered and shall bear the signatures of the chairman of the board and the county clerk. The coupons may bear the facsimile signatures of the officers in the discretion of the board.

(2) The bonds ~~shall~~ must be in denominations of $100 or fractions or multiples ~~thereof~~ of $100, may be issued in installments, and may extend over a period not to exceed 30 years~~;~~. ~~except that~~ However, if federal loans are available for improvements, repayment may extend over a period not to exceed 40 years. For the purposes of this subsection, the term of a bond issue commences on July 1 of the fiscal year in which the county first levies to pay principal and interest on the bonds.

~~(3) All special improvement district bonds must be amortization bonds unless, in the judgment of the board, serial bonds will be more advantageous to the district and can be sold at a comparatively reasonable rate or rates of interest.~~

~~(4)~~(3) As used in this part, unless the context clearly indicates otherwise, the following definitions apply:

(a) "Amortization bonds" means the form of bonds on which:

(i) a part of the principal must be paid each time that interest becomes payable;

(ii) the part payment of principal increases at each installment in the same amount that the interest decreases;

(iii) the combined interest and principal due on each due date remains the same until the bonds are paid;

(iv) the final payment may vary from prior payments in the amount resulting from disregarding

fractional costs in prior payments; and

(v) the initial payment may be larger than subsequent payments if the increase represents interest accrued over an additional period not greater than 6 months.

(b) "Serial bonds" means a bond issue payable in annual installments commencing not more than 2 years from the date of issue, any one installment consisting of one or more bonds, with the principal amount of bonds maturing in each installment not exceeding five times the principal amount of the bonds maturing in the immediately preceding installment."

Section 10. Section 7-12-4169, MCA, is amended to read:

"**7-12-4169. Incidental expenses considered as cost of improvements -- costs for bonds or warrants secured by revolving fund -- district reserve account.** (1) Incidental expenses connected with the formation of a special improvement district, including costs of preparation of plans, specifications, maps, and plats; engineering, superintendence, and inspection; preparation of assessment rolls; and the other incidental expenses described in 7-12-4101(7) are considered a part of the cost of making the improvements within the special improvement district.

(2) If the bonds or warrants are secured by the revolving fund under 7-12-4225, the costs of any improvement must include an amount equal to 5% of the principal amount of any bonds or warrants to be issued, which must be deposited in the revolving fund created in 7-12-4221.

(3) (a) Subject to the provisions of subsections (3)(b) through (3)(e), the city or town council may create a district reserve account.

(b) As part of the original costs of the improvements, the city or town council may include an amount, in addition to the amount, if any, specified in subsection (2), not to exceed 5% of the principal amount of any special improvement district bonds or warrants issued. The amount must be deposited in a district reserve account created and maintained in the district fund.

(c) If there are insufficient funds in the district bond and interest accounts to pay when due the principal of and the interest on bonds or warrants, the district reserve account, if established, must be used to pay the principal of and the interest on the bonds or warrants issued against the district fund.

(d) If bonds or warrants are secured by the revolving fund, the district reserve account, if established, must be exhausted before a loan may be made from the revolving fund pursuant to 7-12-4223.

(e) Money in the district reserve account may be used to pay the final principal and interest

payment on bonds or warrants ~~remaining in the district reserve account after the principal and interest on all bonds and warrants drawn on the district have been paid or discharged must be transferred to the revolving fund~~.

(4) The establishment of a district reserve account does not preclude the city or town council from requiring additional security from owners of real property in the district."

Section 11. Section 7-12-4203, MCA, is amended to read:

"**7-12-4203. Details relating to special improvement district bonds and warrants -- definitions of bond forms.** (1) The bonds and warrants ~~shall~~ must be drawn against the special improvement district fund created for the district and ~~shall~~ must bear interest from the date of registration until called for redemption or paid in full. The interest ~~shall~~ must be payable annually or semiannually, at the discretion of the governing body of the municipality, on the dates that the governing body prescribes. The warrants or bonds ~~shall~~ must bear the signatures of the mayor and clerk and ~~shall~~ must bear the corporate seal of the city. ~~They shall~~ The warrants or bonds must be registered in the office of the clerk and treasurer, and if interest coupons are attached to the warrants or bonds, they ~~shall~~ must also be registered and ~~shall~~ bear the signatures of the mayor and clerk.

(2) The bonds ~~shall~~ must be in denominations of $100 or fractions or multiples ~~thereof~~ of $100, may be issued in installments, and may extend over a period not to exceed 20 years or, if refunding bonds are issued pursuant to 7-12-4194, over a period ending not later than 30 years after the date that the bonds to be refunded were issued. For the purposes of this subsection, the term of a bond issue commences on July 1 of the fiscal year in which the city first levies assessments to pay principal and interest on the bonds.

~~(3) All special improvement district bonds must be amortization bonds unless, in the judgment of the city council, serial bonds will be more advantageous to the district and can be sold at a comparatively reasonable rate or rates of interest.~~

~~(4)~~(3) As used in part 41 and this part, unless the context clearly indicates otherwise, the following definitions apply:

(a) "Amortization bonds" means the form of bonds on which:

(i) a part of the principal must be paid each time that interest becomes payable;

(ii) the part payment of principal increases at each installment in the same amount that the interest

decreases;

(iii) the combined interest and principal due on each due date remains the same until the bonds are paid;

(iv) the final payment may vary from prior payments in the amount resulting from disregarding fractional costs in prior payments; and

(v) the initial payment may be larger than subsequent payments if the increase represents interest accrued over an additional period not greater than 6 months.

(b) "Serial bonds" means a bond issue payable in annual installments commencing not more than 2 years from the date of issue, any one installment consisting of one or more bonds, with the principal amount of bonds maturing in each installment not exceeding five times the principal amount of the bonds maturing in the immediately preceding installment."

Section 12. Section 7-13-2208, MCA, is amended to read:

"**7-13-2208. Decision on petition -- election required.** (1) On the final hearing provided for in 7-13-2206, the board of county commissioners shall make any changes in the proposed boundaries within the county that are considered advisable and shall define and establish the boundaries. The board of county commissioners may not modify the boundaries in a manner that would exclude from the proposed district any territory that would be benefited by the formation of the district. Land that will not, in the judgment of the board of county commissioners, be benefited by the district may not be included within the proposed district.

(2) Upon the final determination of the boundaries of the district, the board of county commissioners of each county in which the district lies shall give notice of an election to be held in the proposed district for the purpose of determining whether or not the district is to be incorporated. The election ~~must~~ may be held in conjunction with a regular or primary election or may be held by mail ballot election as provided in Title 13, chapter 19."

Section 13. Section 7-14-2526, MCA, is amended to read:

"**7-14-2526. Choice of form of bonds.** All bonds issued by ~~any~~ a county ~~shall~~ must be either amortization bonds or serial bonds. ~~Amortization bonds shall be issued in preference to serial bonds.~~"

Section 14. Section 7-33-2404, MCA, is amended to read:

"**7-33-2404. Financing of fire service area -- fee on structures.** (1) In the resolution creating the fire service area and by resolution as necessary ~~thereafter~~ after creation of the fire service area, the board of county commissioners shall establish a schedule of rates to be charged owners of structures that are benefited by the services offered by the fire service area.

(2) The rates must be applied on a fair and equal basis to all classes of structures benefited by the fire service area.

(3) The board of county commissioners shall collect the funds necessary to operate the fire service area by charging the area rate as a special assessment on the owners of structures and shall collect the assessments with the general taxes of the county. The assessments are a lien on the assessed property ~~so assessed~~.

(4) The board of county commissioners or the trustees, if the fire service area is governed by trustees under 7-33-2403, may pledge the income of the fire service area to secure financing necessary to procure equipment and buildings to house the equipment. The outstanding amount of ~~such~~ the indebtedness may not exceed ~~7%~~ 18% of the taxable valuation of the area."

Section 15. Section 19-13-704, MCA, is amended to read:

"**19-13-704. Amount of service retirement benefit.** (1) (a) A member hired before July 1, 1981, who elects to retire after having reached 20 years of membership service must receive a service retirement benefit equal to the sum of:

(i) 50% of the average of the member's last ~~monthly~~ 6 months of compensation for years of service credit up to and including 20 years; and

(ii) 2% of the average of the member's last ~~monthly~~ 6 months of compensation for each year of service credit after 20 years.

(b) A member hired before July 1, 1981, who elects to retire after having reached at least 10 years but less than 20 years of membership service as an active member must receive a service retirement benefit equal to 2% of the member's last ~~monthly~~ 6 months of compensation for each year of service credit. Upon the retired member's death, the benefit must be made to the surviving spouse. If there is no surviving spouse or if the surviving spouse dies and if the member leaves one or more dependent children, the children are entitled to receive the allowance as long as they remain dependent children as defined in

19-13-104.

(2) A member hired on or after July 1, 1981, who retires with at least 10 years of membership service must receive a service retirement benefit equal to 2% of the member's final average compensation for each year of service credit."

NEW SECTION. **Section 16. Retroactive applicability.** [Section 15] applies retroactively, within the meaning of 1-2-109, to all members of the firefighters' unified retirement system provided for in Title 19, chapter 13, who retire on or after January 1, 1997.

NEW SECTION. **Section 17. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective October 1, 1997.

(2) [Sections 8 and 16 and this section] are effective on passage and approval.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0518, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
An act generally revising local government laws; allowing appointed municipal officials to reside outside city limits; increasing the period for municipal installment contracts from five years to 10 years; clarifying that amortization bonds are not preferred over serial bonds; allowing refunding bonds to be sold at less than par value; allowing multi-jurisdictional service districts to provide programs for the protection of human health and environment; allowing money in a district reserve account to be used to pay the final principal and interest payment on bonds or warrants; allowing a vote on changing county water or sewer district boundaries to be held by mail ballot; allowing a fire service area to incur indebtedness in an amount not exceeding 18 percent of the area's taxable value; and amending the calculation for determining a firefighter's service retirement benefit.

ASSUMPTIONS:
Department of Commerce/Local Government Assistance Division:
1. An undetermined number of municipalities will enter into installment purchase contracts exceeding $4,000 which will extend over five years but not more than 10 years. The municipalities that enter into the longer contracts will have reduced annual debt service expenditures but will also have higher interest expenditures over the term of the installment purchase contracts.
2. An undetermined number of special improvement districts which have established district reserve accounts will use monies in those accounts to pay the final principal and interest payment on bonds or warrants. The affected districts will be able to reduce their final special assessment or tax levies by the amount of monies available in the district reserve account.
3. An undetermined number of fire service areas will increase their indebtedness above seven percent but to not more than 18 percent of the taxable valuation of the area. The affected fire service areas will incur an undetermined increase in debt service expenditures to repay such indebtedness.
4. The bill will have no fiscal impact on state agency expenditures and revenues.

Public Employees Retirement Division:
5. The proposed changes in sections 15 and 16 of the bill would reduce retirement benefits payable to certain members of the Firefighters' Unified Retirement System (FURS). No estimate of savings to the retirement system trust fund is possible at this time.

FISCAL IMPACT:
There is no estimated fiscal impact to state agencies.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:
See assumptions 1-3.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
The long-range effects of the proposed legislation are not determinable because it is not known how many local government entities will utilize the provisions of the proposed legislation.

TECHNICAL NOTES:
The PERD contends that the bill would reduce the benefits payable under the FURS which may be unconstitutional under both the state and federal constitutions. Benefits payable under this retirement system are a contract right of employment for persons hired prior to the effective date of this act. These benefits may only be increased or "swapped" for benefits of equal or greater value. Benefit levels may be decreased only for those persons hired after the effective date of this act. Further, this bill will need to be coordinated with HB430.

Dave Lewis 2-18-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

DAVE EWER, PRIMARY SPONSOR DATE

Fiscal Note for HB0518, as introduced
HB 518

HOUSE LOCAL GOVERNMENT

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE ------- REREFERRED ---- DATE READ

HB0461	WYATT, DIANA		AUTHORIZE PARK AND FORESTRY MAINTENANCE DISTRICTS FOR CITIES AND TOWNS					
	2/05	2/18		DO PASS	02/18	VOTE: 13-7		2/19
HB0463	ARNOTT, PEGGY		REVISE QUALIFICATIONS AND INCREASE AUTHORITY OF COUNTY AUDITOR					
	2/06	2/18		TABLED ON	02/18	VOTE: 15-5		
HB0508	DEVANEY, CHARLES		GENERAL REVISION OF MUNICIPAL BUDGET LAW					
	2/08	2/18		PASS AS AMENDED	02/18	VOTE: 19-1		2/19
HB0518	EWER, DAVID		GENERAL REVISE OF LOCAL GOV'T - BONDS - MUNICIPAL OFFICERS - WATER DISTRICTS					
	2/11	2/13		PASS AS AMENDED	02/18	VOTE: 18-2		2/19
HB0556	GRADY, ED		MEMBERSHIP REQUIREMENTS FOR JOINT/CONSOLIDATED CITY/COUNTY PLANNING BOARDS					
	2/14	2/18		DO PASS	02/18	VOTE: 20-0		2/19
SB0025	JERGESON, GREG		CLARIFY WHEN CERTAIN APPOINTEE'S TERM ENDS					
	1/11	1/28		CONCUR	02/6	VOTE: 20-0		2/01
SB0027	KEATING, THOMAS		RAISE AMOUNT COUNTY CAN BORROW WITHOUT VOTER APPROVAL					
	1/18	3/20		CONCUR	03/27	VOTE: 9-8		
SB0051	HERTEL, JOHN		COORDINATE PROBATION OFFICER COST-OF-LIVING RAISE WITH COUNTY OFFICIALS					
	2/08	3/04		CONCUR	03/20	VOTE: 15-2		
SB0077	JENKINS, LOREN		PROVIDE FOR MUTUAL AID REQUESTS					
	1/23	2/06		CONCUR	02/6	VOTE: 19-0		2/07
SB0121	HERTEL, JOHN		RELATING TO THE DISPOSITION AND EXPENDITURE OF REVENUE FROM COUNTY LEASES					
	1/23	2/06		CONCUR	02/6	VOTE: 19-0		2/07
SB0159	JERGESON, GREG		NOT REQUIRE LOCAL GOV'T DISTRIBUTE DEMAND DEPOSIT RATABLY WITH LOCAL BANKS					
	2/11	3/04		CONCUR	03/27	VOTE: 12-2		
SB0280	VAN VALKENBURG, FRED		INCREASE COURT REPORTERS SALARIES					
	3/03	3/20		PASS AS AMENDED	4/8	VOTE: 18-1		

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Norm Mills, on February 13, 1997, at 3:26 P.M., in Room 104.

ROLL CALL

Members Present:

Rep. Norm Mills, Chairman (R)
Rep. Chris Ahner, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Ellen Bergman (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Matt Brainard (R)
Rep. Bill Carey (D)
Rep. Matt Denny (R)
Rep. Charles R. Devaney (R)
Rep. Tim Dowell (D)
Rep. Antoinette R. Hagener (D)
Rep. Sam Kitzenberg (R)
Rep. Deb Kottel (D)
Rep. Bob Lawson (R)
Rep. Linda McCulloch (D)
Rep. Wes Prouse (R)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)

Members Excused: Rep. Daniel W. McGee (R)

Members Absent: Rep. Jon Ellingson (D)

Staff Present: Bart Campbell, Legislative Services Division
Debbie Thompson, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 420-2/7
HB 421-2/10
HB 518-2/12

Executive Action: HB 421-PASS 18-2
HB 377-PASS 14-6
HB 278-PASS 13-7
HB 338-PASS AS AMENDED 14-6
HB 335-Tabled 13-7
HB 420-Tabled 16-4

Closing by Sponsor: Rep. Denny closed.

HEARING ON HB 518

Sponsor: Rep. David Ewer, HD 53 **Exhibit** 17 *{Tape: 2; Side: B; Approx. Time Count: 6.2-18.8; Comments: county can already borrow up to 10 years, cities subject to I105 limits; bill allows flexibility, borrow without vote.}*

Proponents: None

Opponents: None

Questions From Committee Members and Responses: *{Tape: 2; Side: B; Approx. Time Count: 19.1-30.1.}*

Closing by Sponsor: Rep. Ewer closed.

EXECUTIVE ACTION ON HB 420

Motion: Rep. Bergman moved DO PASS HB 420.

Discussion: *{Tape: 2; Side: B; Approx. Time Count: 30.9-39.4; Comments: Rep. Denny-don't like tax liens on property for non payment that was clearly through the user; Kottel-water runs with the land-common law-lien applicable; Chairman Mills-water running with the land is for agriculture.}*

Motion/Vote: Rep. Ahner moved to TABLE HB 420. The question was called. The motion PASSED 16-4.

EXECUTIVE ACTION ON HB 421

Amendments: Rep. Brainard moved to amend 15-20.

Motion/Vote: The question was called on the amendment. The motion FAILED 9-10.

Discussion: Rep. Denny-comparable zoning conversion doesn't really change zoning; public input is addressed; joint hearing would be noticed. *{Tape: 3; Side: A; Approx. Time Count: 0.6-5.1.}*

Motion/Vote: Rep. Ahner moved DO PASS HB 421. The question was called. The motion PASSED 18-2.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Norm Mills, on February 18, 1997, at 3:00 P.M., in Room 104.

ROLL CALL

Members Present:

Rep. Norm Mills, Chairman (R)
Rep. Chris Ahner, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Ellen Bergman (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Matt Brainard (R)
Rep. Bill Carey (D)
Rep. Matt Denny (R)
Rep. Charles R. Devaney (R)
Rep. Tim Dowell (D)
Rep. Jon Ellingson (D)
Rep. Antoinette R. Hagener (D)
Rep. Sam Kitzenberg (R)
Rep. Deb Kottel (D)
Rep. Bob Lawson (R)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Wes Prouse (R)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)

Members Excused: None

Members Absent: None

Staff Present: Bart Campbell, Legislative Services Division
Debbie Thompson, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 461-2/12
HB 463-2/10
HB 508-2/10
HB 556-2/14
HB 291-2/17

Executive Action: HB 508 PASS AS AMENDED 19-1
HB 369 PASS AS AMENDED 16-4
HB 291 PASS AS AMENDED 13-7
HB 518 PASS AS AMENDED 18-2
HB 461 PASS 13-7

EXECUTIVE ACTION ON HB 461

Motion/Vote: Rep. Bergman moved DO PASS HB 461. The question was called. The motion PASSED 13-7.

EXECUTIVE ACTION ON HB 556

Motion: Rep. Bergman moved DO PASS HB 556.

Discussion: *{Tape: 3; Side: A; Approx. Time Count: 24-25.7; Comments: Ahner-no provision in statute.}*

Motion/Vote: The question was called. The motion PASSED unanimously on a voice vote.

EXECUTIVE ACTION ON HB 518

Amendments: Rep. Hagener moved the amendments. Rep. Ewer moved to amend the amendments. Bart Campbell explained the conceptual amendment. The question was called on the amendments with the conceptual added. The motion PASSED unanimously.

Motion: Rep. Devaney moved the bill as amended. The question was called. The motion PASSED 18-2 with Reps. Prouse and Smith voting no.

EXECUTIVE ACTION ON HB 463

Amendments: Rep. Ahner moved the amendments.

Motion: Rep. Brainard moved DO PASS.

Discussion: *{Tape: 3; Side: A; Approx. Time Count: 38.3-40.6; Comments: Dowell-doesn't like grandfathering, opposes amendment; Brainard-clause used acknowledges length of service.}*

Motion/Vote: Rep. Ewer moved to amend the amendment. *{Tape: 3; Side: A; Approx. Time Count: 1.9-5.3; Comments: Prouse-elected by the people-qualifications different.}*

Vote: The question was called on the amended amendment. The motion PASSED 16-4

Discussion: *{Tape: 3; Side: A; Approx. Time Count: 5.3; Comments: Bergman-changing qualifications of other elected officials possible.}*

Motion/Vote: Rep. Bergman moved to TABLE HB 463. The motion PASSED 15-5.

SENATE LOCAL GOVERNMENT

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE ------- REREFERRED ---- DATE READ

HB0377	RYAN, WILLIAM		REQUIRE APPROVAL OF BD. OF TRUSTEES FOR EXEMPTION FROM TV DISTRICT TAX					
	2/19	3/20		CONCUR	3/20	VOTE: 9-0		3/22
HB0408	TREXLER, CLIFF		PROVIDE AN EXCEPTION FOR SINGLE PARCEL TRANSFER					
	3/03	3/25		CONCUR	3/27	VOTE: 9-0		4/02
HB0421	DENNY, MATT		REVISE ZONING CONVERSION					
	2/19	3/20		CONCUR	3/20	VOTE: 9-0		3/22
HB0461	WYATT, DIANA		AUTHORIZE PARK AND FORESTRY MAINTENANCE DISTRICTS FOR CITIES AND TOWNS					
	3/04	3/27		CONCUR	3/27	VOTE: 8-1		4/02
HB0500	KEENAN, BOB		PROHIBIT STATE GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE					
	3/28	4/08		TABLED ON	04/10	VOTE: 6-3		
HB0508	DEVANEY, CHARLES		GENERALLY REVISE MUNICIPAL BUDGET LAWS					
	3/04	3/25		CONCUR AS AMENDED	3/27	VOTE: 9-0		4/02
HB0518	EWER, DAVID		REVISE LOCAL GOV'T LAWS; RE: BONDS, MUNICIPAL OFFICERS, WATER DISTRICTS					
	3/04	3/27		CONCUR AS AMENDED	3/27	VOTE: 9-0		4/02
HB0531	SWANSON, EMILY		REVISING JUNK VEHICLE PROGRAM					
	3/04	3/27		CONCUR AS AMENDED	3/27	VOTE: 9-0		4/02
HB0556	GRADY, ED		MEMBERSHIP REQUIREMENTS FOR JOINT/CONSOLIDATED CITY/COUNTY PLANNING BOARDS					
	3/04	3/27		CONCUR	3/27	VOTE: 9-0		4/02
HJ0033	DENNY, MATT		REQUESTING AN INTERIM STUDY OF SELF-GOVERNANCE FOR LOCAL JURISDICTIONS					
	4/12	4/17		CONCUR	4/17	VOTE: 5-3		
SB0025	JERGESON, GREG		CLARIFY WHEN CERTAIN APPOINTEE'S TERM ENDS					
	12/27	1/07		PASS AS AMENDED	1/7	VOTE: 9-0		1/08
SB0027	KEATING, THOMAS		RAISE AMOUNT COUNTY CAN BORROW WITHOUT VOTER APPROVAL					
	12/27	1/09		PASS AS AMENDED	1/14	VOTE: 6-3		1/15

MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN TOM BECK**, on March 27, 1997, at 3:08 p.m., in Room 405.

ROLL CALL

Members Present:

Sen. Thomas A. "Tom" Beck, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Dorothy Eck (D)
Sen. Sharon Estrada (R)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Don Hargrove (R)
Sen. John "J.D." Lynch (D)
Sen. Walter L. McNutt (R)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Martha Colhoun, Legislative Services Division
Jodi Jones, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 461, HB 518, HB 531, HB 556
Posted: 3/13/97

Executive Action:
HB 461 Be Concurred In
HB 518 BCI as Amended
HB 531 BCI as Amended
HB 248 BCI as Amended
HB 240 BCI as Amended
HB 508 BCI as Amended
HB 408 Be Concurred In
HB 369 BCI as amended
HB 556 Be Concurred In

Motion/Vote:

SENATOR VAN VALKENBURG MOVED HB 369 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY.

{Tape: 1; Side: A; Approx. Time Count: 3:28 p.m.; Comments: .}

HEARING ON HB 518

Sponsor: **REP. DAVID EWER, HD 53, Helena**

Proponents:

Bob Gilbert, MT Volunteer Fire Assoc.

Opponents: None

Opening Statement by Sponsor:

REP. DAVID EWER, HD 53, Helena presented HB 518. This bill is a clean up bill in several areas of Title 7. This bill allows cities to borrow under a contract without the vote of the people. He said they now have counties being able to borrow up to $.5 Million per project without a vote. He said both fire districts and rural fire service areas can borrow against their budget without any particular limit as long as they stay within their budget. Counties have to stay within their budget and they cannot exceed I 105 and they can't put this debt onto the taxpayers. He said if it is voted on by the people then that debt can be put on the taxpayers outside I-105.

This bill is also a clean-up on amortized bonds. He said the statutes give preference to these types of bonds but nobody ever uses them and this part is being stripped out of the statutes. He said two years ago the legislature authorized the creation of a reserve fund. The proceeds of that fund goes to the revolving fund and if that fund is over-funded, governments can take that money. This bill will allow the final payments from the reserve account to be able to pay off those bonds. He said people like to buy municipal bonds at a discount rate. However, when this law was passed last session the refunding bonds were left out and this bill is just clarifying that.

Another area this bill covers is if a person were an appointed official, that person has to live in the city. There needs to be some flexibility here and if someone wants to live out of the city limits they should be allowed to do that by a decision of the local government. The next thing this bill does is for Butte, which has the largest superfund site in America and they want the ability to form multi-jurisdictional agreements between Anaconda and Deer Lodge so they can help reclaim this. He said another thing this bill covers is reinserting the formation of a water and sewer district and the ability to use a mail ballot.

To form a water and sewer district there has to be a 40 percent turnout to begin with. This would put the ability of using a mail ballot back in to get those voter turnouts. Another area of this bill is fire districts can borrow money by bonds or by a loan. A fire district can borrow up to 18 percent of the taxable value but a rural fire service area can only borrow seven percent. These two districts need to be equal on their borrowing power. Rural fire service areas don't get any tax money to begin with as their money comes totally from fees on properties. The final area this bill addresses is that governments can't borrow money to repair a swimming pool. These maintenance costs are expensive and they need this borrowing power.

Proponents' Testimony:

Bob Gilbert, MT Volunteer Fire Assoc. said rural fire service areas should have flexibility to increase the loan power from seven to 18 percent. People that work in those areas are volunteers and they need that equipment.

{Tape: 1; Side: A; Approx. Time Count: 3:46 p.m.; Comments: .}

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR MIKE SPRAGUE passed out amendments to HB 518 and discussed them **(EXHIBIT 2).**

SENATOR VAN VALKENBURG said the current limit on the rural fire service areas is more of a protection against home owners than giving them the power to borrow more. How does this work with the seven percent? **Bob Gilbert** said the numbers were set to keep the borrowing power lower. However, when it affects the ability of the fire service provider to run that service they need more flexibility. He said districts would rather be strong and able to fight fires, than being able to barely get by.

SENATOR BILL GLASER asked if these assessments have to be voted on before they can borrow. **Bob Gilbert** said he was not sure, but because this is a paid service it allows them to borrow on their assets which is their own money, it is not tax money.

SENATOR ECK asked what the reason was for going to 18 percent? **REP. EWER** said the current law for fire districts is 18 percent of taxable value. He said if a service area wants a $50,000 loan and they have a $14 Million tax base to cover that, it can't be reached with only seven percent. It would be much easier to have both of them at 18 percent.

SENATOR ECK asked how many other districts deal with fire suppression. **REP. EWER** said it is divided out to full time municipal authority and they have the same bonding as municipalities. There are rural fire service areas, fire

districts, county suppression in unincorporated areas, and private fire companies.

Closing by Sponsor:

REP. EWER closed on HB 518.

HEARING ON HB 556

Sponsor: **REP. ED GRADY, HD 55, CANYON CREEK**

Proponents:

Gayla Hall, Lewis and Clark Conservation District
Mike Volesky, Montana Assoc. of Conservation Districts

Opponents: None

Opening Statement by Sponsor:

REP. ED GRADY, HD 55, CANYON CREEK, presented HB 556. He said this bill revises the membership for joint or consolidated city county planning boards. He said currently there is a law providing for a conservation district membership, but if a joint or consolidated planning board is formed by inner or local government agreement, conservation districts are excluded from membership. Conservation districts can contribute and provide a great deal of information for land management planning concerning grazing, weed control, streams and other areas.

Proponents' Testimony:

Gayla Hall, Lewis and Clark Conservation District spoke in favor of HB 556 **(EXHIBIT 3).**

Mike Volesky, MT Assoc. of Conservation Districts, spoke in favor of HB 556. He said this situation only exists in the Lewis and Clark Conservation District, but has the potential of existing in other districts.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR ECK asked what the membership of these boards will be. **Mike Volesky** read the current statutes on the membership of the county planning boards and how they are appointed.

Closing by Sponsor:

REP. GRADY said this was overlooked in the original statutes and is a clean up measure.

{Tape: 1; Side: B; Approx. Time Count: 4:04 p.m.; Comments: .}

EXECUTIVE ACTION ON HB 556

Motion/Vote:

SENATOR ESTRADA MOVED HB 556 BE CONCURRED IN. MOTION PASSED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 518

Discussion:

SENATOR ECK asked what the intent of the amendment was **(EXHIBIT 2). SENATOR SPRAGUE** used the example of a local government requiring a private business to keep records. The local government describes the form and the content of that record, but they cannot tell them what kind of method to use to keep those records.

SENATOR ECK asked if a business could send their information in on a yellow pad? **SENATOR SPRAGUE** said that was correct.

Motion/Vote:

SENATOR BILL GLASER MOVED TO ADOPT THE AMENDMENTS (EXHIBIT 2). MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

SENATOR GLASER MOVED HB 518 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY.

HEARING ON HB 531

Sponsor: **REP. EMILY SWANSON, HD 30, Bozeman**

Proponents:

Jan Sensibaugh, Department of Environmental Quality
Gordon Morris, MACo
Bob Gilbert, MT Tow Truck Assoc.
Richard Corrigan, Missoula Co. Junk Vehicle Program

Opponents: None

Opening Statement by Sponsor:

REP. EMILY SWANSON, HD 30, Bozeman, presented HB 531. This bill is to improve the administration of the junk vehicle program. The junk vehicle program has been in place since 1973. Its purpose is to dispose of junk vehicles which are vehicles that have no salvage value. The funding mechanism is the county charges fifty cents on each yearly license renewal. A $1.50 is collected on any title transfers and is given to this program. The scrap metal that is sold from these vehicles is also retained. All of this money is sent to the state and then redistributed to each county